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U.S. Department  
of Transportation

400 Seventh Street, S.W.  
Washington, DC 20590

**Bureau of  
Transportation Statistics**

FEB 13 2004

CERTIFIED MAIL

David J. Bronczek  
President & CEO  
Fedex Express  
3610 Hacks Cross Road  
Memphis, TN 38125

Dear Mr. Bronczek:

As part of our data quality control procedures, the Bureau of Transportation Statistics (BTS) routinely reviews the submissions made by reporting air carriers. Our internal review indicates that Federal Express has been underreporting its mail statistics by classifying large amounts of mail as freight. Federal Express is one of the largest service providers to the U.S. Postal Service; however, Federal Express' reports to the Department of Transportation show small amounts of mail activity.

Pursuant to 14 CFR Part 241, Federal Express is required to submit the quarterly BTS Schedule P-1.2 *Statement of Operations* which has a separate line item for Mail Revenues. BTS Schedule P-1.2 requires that carriers use account code "3905" for Mail Revenues. Rather than report all its mail revenues using this account, Federal Express has been improperly reporting large amounts of mail as freight using account code "3906."

In addition, pursuant to 14 CFR Section 241.19-5, Federal Express is required to report the tons of mail carried on each nonstop segment flown using account code "239" and the tons of mail enplaned using account code "219." These data are required to be reported on Schedule T-100, *U.S. Air Carrier Traffic and Capacity Data by Nonstop Segment and On-flight Market*. Rather than report all its mail traffic using these accounts, Federal Express has been improperly reporting large amounts of mail as freight using account codes "237" and "217."

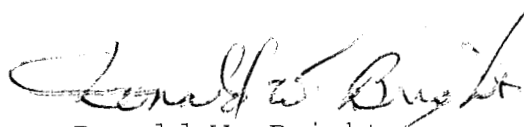
The Bureau of Transportation's T-100 data administrator has previously requested Federal Express staff to correct its required traffic reports without success. Please note that the accuracy of this data is always important, but even more so now that the Department of Transportation (DOT) is in the process of updating the international mail rates.

Under the authority of 14 CFR 385.19(e), I am requiring Federal Express to submit revised Schedules T-100 for the 3rd quarter

2002 to present; Schedules T-2 and T-3 for the 3<sup>rd</sup> quarter 2002; and Schedule P-1.2 from the 3<sup>rd</sup> quarter to present. Please submit these revised reports within 21 days of the date of this letter, or we will refer the matter to the Department's Office of Aviation Enforcement and Proceedings for formal enforcement action.

If you have any questions regarding this matter, please contact Mr. Bernie Stankus of my staff at (202) 366-4387.

Sincerely,

A handwritten signature in cursive script, appearing to read "Donald W. Bright".

Donald W. Bright  
Assistant Director  
Airline Information